

# Briefing paper on the Circular Economy Bill



May 2023

A Circular Economy Bill will be introduced to the Scottish Parliament in 2023. This must be as strong as possible if Scotland is to meet its climate change goals and transform its economy to ensure materials are used more sustainably and fairly.

## What is a circular economy?

Our current economic system encourages relentless and increasing consumption of goods and services. The more we buy, the more materials are taken from nature and the greater the impact on people and the planet. Material consumption has passed sustainable limits<sup>1</sup> and continues to rise. This can't go on forever.

In a circular economy, materials are properly valued, reused and recycled, which reduces material consumption. But it's not just about asking people to buy fewer goods and recycle more; creating a circular economy requires system change for every economic sector. Crucially, businesses must be made to take responsibility for the global material impact of their products.

## Why does Scotland need a circular economy?

In Scotland, we used 19 tonnes of materials per person in 2018.<sup>2</sup> That's more than twice the sustainable limit – experts believe everyone can live a sustainable, high-quality lifestyle on eight tonnes of materials per year.<sup>3</sup> More materials means a higher carbon footprint too. The Scottish carbon footprint was 13 tonnes per person per year, which is 22% higher than the UK average.<sup>4</sup>

Half of Scotland's carbon footprint emissions come from imports, which are not included in our existing climate targets.<sup>5</sup> The impacts of producing these imported goods are almost invisible to policy makers, which means nothing is done to reduce them. Despite this lack of accountability, the damage of over-consumption by the wealthy few is the cause of much social and environmental injustice across the globe; from toxic mining practices, to the cruelty of sweat shops and the dumping of waste from rich nations in the Global South and our oceans.<sup>6</sup>

Gaps in our climate targets also have negative economic effects. High carbon activities, and the jobs associated with them, are often offshored rather than investing in domestic low carbon solutions. For example, when Ravenscraig steel mill closed in 1992, millions of tonnes of carbon were wiped off Scotland's carbon balance sheets.<sup>7</sup> But Scotland's demand for steel is growing, leading to imports of goods which may be more carbon intensive to produce than the original Scottish products.

## What needs to change?

The Circular Economy Bill is a chance for Scotland to take responsibility for our environmental impacts overseas and to invest in low carbon, low material activities across all economic sectors. Reporting of Scotland's consumption emissions, as required since the 2009 Climate Change Act was introduced, has not resulted in the reductions required. In its latest report to the Scottish Parliament,<sup>8</sup> which was critical of the lack of progress made, the Climate Change Committee highlighted that Scotland's consumption emissions actually increased by 3% in 2018.

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<sup>1</sup> Hickel and Kallis (2020) [Is Green Growth Possible?](#)

<sup>2</sup> Zero Waste Scotland (2022) [Scotland's Material Flow Accounts 2018](#)

<sup>3</sup> For example, Lettenmeier et al. (2014) [Eight Tons of Material Footprint—Suggestion for a Resource Cap for Household Consumption in Finland](#)

<sup>4</sup> [Scottish](#) and [UK](#) government carbon footprint data, ONS [population stats](#)

<sup>5</sup> Scottish Government (2022) [Scotland's Carbon Footprint 1998-2018](#)

<sup>6</sup> For example, Friends of the Earth Europe (2021) [The Green Mining Myth](#)

<sup>7</sup> Scottish Government (2012) [Scottish greenhouse gas emissions 2010](#)

<sup>8</sup> Climate Change Committee (2022) [Progress in reducing emissions in Scotland, 2022 report to Parliament](#), page 18

The same approach developed to meet Scotland's climate change goals should be used as a framework for delivering a circular economy: including targets and an overarching strategy to meet them; sector level plans which link to the main strategy; mechanisms for reporting and scrutiny; provision for independent advice; and with Just Transition safeguards built in.

Targets are required to set the pace and scale of change. When the Scottish Government consulted on the Circular Economy Bill in 2022, 86% of responders supported consumption reduction targets.<sup>9</sup> Internationally, interest is growing in this approach - the Netherlands has set a target to become fully circular by 2050.<sup>10</sup> In 2021, the European Parliament voted to create binding, science-based targets for material use and consumption footprint<sup>11</sup> and in 2022 Sweden voted to introduce carbon consumption reduction targets.<sup>12</sup>

The Scottish Government is currently developing an Energy Strategy and Just Transition Plan,<sup>13</sup> which aims to decarbonise Scotland's energy systems. The Scottish Government has acknowledged that there is a risk that supply of materials will affect the delivery of Scotland's energy transition, however, this not properly considered in the strategy. If materials are not obtained sustainably and fairly, the objective of a just energy transition will be compromised. Consumption reduction targets in the Circular Economy Bill would necessitate material impacts of the Energy Strategy and other such policies being addressed.

The move to a more circular economy will mean significant change across the economy; it is also an opportunity to create new decent green jobs in Scotland. The transition to a circular economy must be a just one, that puts the needs and experience of impacted workers and communities at the heart of its planning and implementation.

## What are Friends of the Earth Scotland calling for?

The following statutory and science-based targets must be set in the primary legislation of the Circular Economy Bill:

### **Carbon-based consumption reduction targets**

Scotland should adopt a target to reduce its global carbon footprint to zero by 2045, with an interim target of 75% by 2030, based on 1998 levels, with annual targets towards these goals.

### **Material-based consumption reduction targets**

Scotland should adopt a target to reduce its material consumption to 8 tonnes per person per year by 2045 (57% reduction), with an interim target of 13 tonnes per person per year (30% reduction) by 2030, based on 2017 levels, with regular progress reports towards these goals.

Friends of the Earth Scotland are also calling for:

- A framework, based on Scotland's climate policy framework, to deliver a sustainable and just circular economy by 2045 which, as well as the above targets, including:
  - A circular economy strategy, updated every 5 years;
  - A new, independent and statutory body to advise on circular economy progress;
  - Sector level resource plans for all sectors which link to the consumption reduction target and the materials required for specific policies;
  - Guiding principles of Just Transition, both domestically and on a global level.
- Scotland's circular economy plans should be incorporated into a new over-arching Resource Justice Strategy to guide fair and sustainable material consumption in Scotland.
- More measures which reduce demand for materials, including: powers to expand Scotland's Extended Producer Responsibility (EPR) Schemes; mandatory scope 3 emissions reporting; and public body duties on procurement.
- Clear and transparent data and a fair and collaborative policy process.

<sup>9</sup> Scottish Government (2022) [Circular economy bill Consultation Analysis](#)

<sup>10</sup> Dutch Government (2021) [Circular Dutch economy by 2050](#)

<sup>11</sup> European Parliament News 27.01.21, [Circular Economy: MEPs call for tighter EU consumption and recycling rules](#), last accessed on 30.05.23

<sup>12</sup> Balken Green Energy News (2022) [Sweden introduces imported goods' emissions in country's climate targets](#)

<sup>13</sup> Scottish Government (2022) [Energy Strategy and Just Transition consultation plans](#)